

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 INR-07 NSAE-00 EB-08 TRSE-00
OMB-01 COME-00 CU-04 USIA-06 AID-05 /042 W
-----104880 221512Z /50

R 221325Z JAN 78
FM AMEMBASSY KUWAIT
TO AMEMBASSY BEIRUT
INFO SECSTATE WASHDC 9986
AMEMBASSY ABU DHABI
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY MANAMA
USLO RIYADH
AMCONSUL DHAHRAN

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E.O. 11652: N/A
TAGS: SEDU, EFIN
SUBJECT: AUB FINANCING: VISIT OF PRESIDENT HOELSCHER

REF: BEIRUT 0364 (NOTAL)

1. TALAL ABU GHAZALEH PROVIDED ECON CHIEF WITH THE FOLLOWING INFO ON HIS EFFORTS TO ASSIST AUB IN FUND RAISING. PRESIDENT HOELSCHER HAS QUIETLY VISITED KUWAIT TWICE TO DISCUSS FUND RAISING ACTIVITIES WITH ABU GHAZALEH. PLANS NOW CALL FOR HOELSCHER TO MAKE FINAL VISIT TO KUWAIT FEBRUARY 17TH FOR ONE DAY OF STRATEGY PLANNING, AND FOR ABU GHAZALEH TO ATTEND INAUGURATION CEREMONY IN BEIRUT FEBRUARY 22-24 AFTER WHICH HOELSCHER WILL FLY TO RIYADH TO MAKE CALL ON KING KHALED AND PRINCE FAHD FEBRUARY 25TH AND 26TH. THESE APPOINTMENTS HAVE BEEN ARRANGED THROUGH SAUDI EMBASSY IN BEIRUT. ABU GHAZALEH SAYS THAT VISIT WILL BE PURELY COURTESY CALL DURING WHICH HOELSCHER WILL NOT MAKE
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PLEA FOR FUNDS. HOWEVER, ABU GHAZALEH SAYS HIS FIRM HAS 4 TEAMS WORKING ON DEVELOPING PROJECTS AT AUB WHICH WOULD BE PRESENTED LATER TO SAUDIS AND OTHERS FOR FINANCING.

2. ABU GHAZALEH GRADUATED FROM AUB WITH HONORS IN 1960. HE IS QUITE PROUD OF RECENT BOOK ON AUB BY ENGLISH PROFESSOR JOHN MONROE DEDICATED TO HIM BECAUSE

OF HIS FUND-RAISING ACTIVITY FOR AUB. ABU GHAZALEH BELIEVES THAT AUB APPROACH TO FUND RAISING IN THE PAST HAS BEEN TOTALLY WRONG IN THAT IT CONSISTED OF TRIPS BY AUB PRESIDENT TO THE GULF AREA, APPEALING FOR FUNDS TO OFFSET DESPERATE BUDGETARY CRISES. "YOU MUST SAVE A SINKING SHIP" APPROACH IS NOT THE WAY TO ELICIT SUPPORT FOR AUB, ABU GHAZALEH BELIEVES. RATHER HIS APPROACH, WHICH HE SAYS HOELSCHER HAS APPROVED, IS TO PROPOSE FUNDABLE LONG-RANGE AUB ACTIVITIES WHICH WILL INTEREST COUNTRIES IN THE AREA. AUB-RELATED PROJECTS ABU GHAZALEH ENVISAGES INCLUDE: SETTING UP SCHOOL OF BUSINESS ADMINISTRATION, ENDOWED CHAIRS FOR PROFESSORSHIPS IN FIELDS OF USE TO THE AREA, SPECIAL TRAINING PROGRAMS TIED IN WITH SPECIFIC PROJECTS IN THE AREA SUCH AS THE JUBAIL PROJECT, AND INTERESTING SAUDIS AND OTHERS IN AUB THROUGH NAMING PROMINENT SAUDIS TO THE BOARD OF DIRECTORS OF THE NEW SCHOOL OF BUSINESS ADMINISTRATION AND OTHER SCHOOLS TO BE SET UP. ANOTHER IDEA ABU GHAZALEH IS PROPOSING IS FOR AUB TO LEASE SOME LAND TO GULF INVESTORS WHO WOULD BUILD APARTMENT/OFFICE COMPLEXES ON IT AND PAY A PERCENTAGE OF THEIR REVENUE TO AUB, THEREBY INSURING CONINUED INCOME FOR AUB RATHER THAN SIMPLY A ONE-SHOT SALE OF IRREPLACEABLE REAL ESTATE.

3. ABU GHAZALEH SAID ONE OF HIS KEY CONTACTS IS GHAITH PHARAON. ABU GHAZALEH HIMSELF COMMUTES TO RIYADH, WHERE LIMITED OFFICIAL USE

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HE HAS A LARGE VILLA NEAR THE PALACES OF KING KHALED, PRINCE FAHD AND OTHER SENIOR SAUDI PRINCES. ABU GHAZALEH TOLD US THAT HE FREQUENTLY BRIEFS FSO CHRIS SMITH OF USLO ON GROWING ACTIVITIES OF HIS FIRMS IN SAUDI ARABIA.

4. ABU GHAZALEH SAID THERE WERE NO PLANS FOR HOELSCHER TO VISIT OTHER GULF STATES IN CONNECTION WITH FEBRUARY 25-26 VISIT TO SAUDI ARABIA. HE MIGHT DO SO DURING A LATER WORKING VISIT, WITH FOCUS ON NAMING OF PROMINENT ABU DHABIAN PERSONALITY TO BOARD OF PROPOSED GRADUATE SCHOOL OF BUSINESS ADMINISTRATION AND PROPOSALS FOR VARIOUS AUB-CONNECTED PROJECTS WHICH WOULD BE OF INTEREST TO ABU DHABI.

5. COMMENT: ABU GHAZALEH, A PALESTINIAN WITH KUWAITI NATIONALITY, HAS EXPANDED A RELATIVELY SMALL ACCOUNTING FIRM INTO AN ACCOUNTING/CONSULTANCY CONGLOMERATE WITH OFFICES THROUGHOUT THE MIDDLE EAST. HE IS VERY MUCH A PROMOTER. SOME SAY HE BITES OFF MORE THAN HE CAN CHEW. HOWEVER, HIS ABANDONING AUB'S TRADITIONAL CUP-IN-HAND APPROACH FOR MORE POSITIVE ONE STRIKES US AS SENSIBLE. PERHAPS HE MAY JUST BE ABLE TO CARRY IT OFF.

6. ABU GHAZALEH LOOKS FORWARD TO OPPORTUNITY TO MEET WITH
AMBASSADOR PARKER DURING AUB PRESIDENTIAL INAUGURATION
CEREMONIES. SHOULD BEIRUT OR ANY OTHER ADDRESSES HAVE ANY
QUESTIONS THEY WISH RAISED WITH ABU GHAZALEH ON SUBJECT OF
AUB ASSISTANCE, WE CAN EASILY QUERY HIM.
MAESTRONE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESIDENT, VISITS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978KUWAIT00407
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780033-0468
Format: TEL
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780136/aaaabeid.tel
Line Count: 123
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d10825e1-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 BEIRUT 364
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3733896
Secure: OPEN
Status: NATIVE
Subject: AUB FINANCING: VISIT OF PRESIDENT HOELSCHER
TAGS: SEDU, EFIN
To: BEIRUT
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/d10825e1-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014